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| Yee & Associates, P.C. | 4100 Alpha Road Suite 1100 Dallas, Texas 75244 | Main No. (972) 385-8777 Facsimile (972) 385-7766 |

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From: Carrie Parker Legal Assistant to Betty Formby	No. of Pages Including Cover Sheet: 21

Message:

Enclosed herewith:

* Transmittal Document; and
* Appeal Brief Replacement.

Re: Application No. 09/329,461
    Attorney Docket No: AT9-99-085

Date: Wednesday, January 12, 2005

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of: **Rodriguez et al.**   §   Group Art Unit: 3661
                                                            §
Serial No.: **09/329,461**   §   Examiner: **Cuong H. Nguyen**
                                                            §
Filed: **June 10, 1999**   §   Attorney Docket No.: **AT9-99-085**
                                                            §
For: **Method and Apparatus for**   §
Encoding Transactions for Goods and
Services Using an E-Receipt

35525
PATENT TRADEMARK OFFICE
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By: _Carrie Parker_
Carrie Parker

TRANSMITTAL DOCUMENT

Commissioner for Patents
P.O. Box 1450
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Sir:
ENCLOSED HEREWITH:

- Appeal Brief (37 C.F.R. 41.37).

A fee of $500.00 is required for filing an Appeal Brief. Please charge this fee to IBM Corporation Deposit Account No. 09-0447. No additional fees are believed to be necessary. If, however, any additional fees are required, I authorize the Commissioner to charge these fees which may be required to IBM Corporation Deposit Account No. 09-0447. No extension of time is believed to be necessary. If, however, an extension of time is required, the extension is requested, and I authorize the Commissioner to charge any fees for this extension to IBM Corporation Deposit Account No. 09-0447.

Respectfully submitted,

Duke W. Yee
Duke W. Yee
Registration No. 34,285
YEE & ASSOCIATES, P.C.
P.O. Box 802333
Dallas, Texas 75380
(972) 385-8777
ATTORNEY FOR APPLICANTS

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Docket No. AT9-99-085   *PATENT*

THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application: Rodriguez et al.	§	
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Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

APPEAL BRIEF (REPLACEMENT)(37 C.F.R. 41.37)

This brief is in furtherance of the Notice of Appeal, filed in this case on March 4,
2002. This brief is also in response to the final office action mailed October 12, 2004 and
replaces all previously filed briefs.

No fees are believed due, as the fees have already been paid with the original appeal
brief.

REAL PARTIES IN INTEREST

The real party in interest in this appeal is the following party: International Business Machines, Inc. of Armonk, New York.

RELATED APPEALS AND INTERFERENCES

With respect to other appeals or interferences that will directly affect, or be directly affected by, or have a bearing on the Board's decision in the pending appeal, there are no such appeals or interferences.

STATUS OF CLAIMS

A. TOTAL NUMBER OF CLAIMS IN APPLICATION

Claims in the application are: 1-46

B. STATUS OF ALL THE CLAIMS IN APPLICATION

1. Claims canceled: 1-2, 5-26, 29-46.
2. Claims withdrawn from consideration but not canceled: None.
3. Claims still pending: 3-4 and 27-28.
4. Claims allowed: None.
5. Claims rejected: 3-4 and 27-28.

C. CLAIMS ON APPEAL

The claims on appeal are: 3-4 and 27-28.

STATUS OF AMENDMENTS

An amendment filed with the previous appeal brief and canceling all claims not under appeal was entered.

SUMMARY OF CLAIMED SUBJECT MATTER

A. CLAIM 3 - INDEPENDENT

The subject matter of claim 3 is directed to using an electronic receipt to claim merchandise, where the updating of the inventory records is performed when the merchandise is claimed, rather than when it is purchased. **Figures 3A and 3B** show exemplary systems in which the method can be performed and are discussed beginning on page 14, line 5 and extending through page 16, line 20. **Figures 5A and 5B** show a generalized flowchart for the use of the disclosed method in updating an inventory, while **Figure 6 and Figure 7A** show specific embodiments of this method. **Figures 5A and 5B** are discussed beginning on page 19, line 9 and extending through page 22, line 3. The merchant provides inventory records that correspond to a plurality of products for sale (see page 3, lines 5-14, page 22, lines 4-20, and page 24, lines 1-7). A purchase transaction is processed for a product that is for sale (steps **502, 504,** discussed on page 19, lines 10-16). As part of this transaction, an electronic receipt is generated and stored on a smart card or other portable medium (step **508,** discussed on page 19, lines 16-26). At a different time or place from the original transaction, the electronic receipt is read from the portable medium (steps **510-512,** discussed on page 19, line 27 through page 21, line 2) and validated (step **516,** discussed on page 21, lines 8-12). Once the receipt is validated, an indication is provided to that the transaction can proceed (step **518,** discussed on page 21, lines 12-14) and an inventory record for the product is updated (step **528,** discussed on page 21, lines 27-29).

B. CLAIM 27 - INDEPENDENT

The subject matter of claim 27 is directed generally to a computer program product in a computer-readable medium and corresponds to method claim 3.

GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

SOLE GROUND OF REJECTION (Claims 3-4 and 27-28)

Claims 3-4 and 27-28 stand rejected under 35 U.S.C. § 103(a) as obvious over Trotta, Jr. (5,595,264) in view of Tognazzini (5,739,512).

ARGUMENT

SOLE GROUND OF REJECTION (Claims 3-4, 27-28)

These four claims are rejected over Trotta in view of Tognazzini. In discussing this claim, the rejection states,

> Regarding claims 3 and 4, Trotta, Jr. suggests a method for processing an electronic receipt by maintaining inventory records of product being sold (see Trotta,, Jr. Fig. 1, ref. 38, and claim 3), Tognazzini also teaches a method for processing electronic receipt for travel services (i.e. hotel, restaurant and rental car), using a computer which includes processing a purchase transaction (see Tognazzini col. 3), lines claim 5-11), generating an electronic receipt comprising data concerning the purchase transaction (see Tognazzini, Fig 1 ref. 100, col. 3, lines 21-26; col. 3, lines 34-36), storing and reading the electronic receipt on a movable storage medium (col. 3, lines 39-44 where "removable storage medium" equates to " computer program products" as taught by Tognazzini), validating the electronic receipt using a digital signature which is inspected for authenticity and integrity (see Tognazzini, vol. 5, lines 1-10), and in response to validating the e-receipt, providing an indication to proceed with delivery of goods or services related to the purchase transaction (see Tognazzini, col. 2, lines 35-40 i.e. the account is "debit(ed)" for the service), and updating an inventory affected by said delivery of goods or services (see Tognazzini, col. 6, lines 55-67; col. 2, lines 64-65, and 3:4-20, which disclose producing a report summarizing some of the receipts i.e. updating an inventory of activity).[1]

Notably in the statement above, all limitations are read on Tognazzini except for the conjunction of inventory records and electronic receipts. The Response to Applicant's Arguments in the final office action further supports this observation, stating,

> In response to applicants' arguments regarding the reference to Tognazzini, the examiner agrees that Tognazzini is primarily concerned with providing digital signatures via email to the customer and reporting/tracking expenses. However, Trotta, Jr. (US Pat. 5,595,264) creates an environment for Tognazzini. Therefore the claims' limitations read on a combination of teachings from Trotta, Jr. and Tognazzini. Applicants also argue that the instant invention is claiming "a specific arrangement" of steps "that provide advantages that were not previously available". Trotta, Jr. and Tognazzini teach claimed

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[1] Office action of 10/12/2004, item 3A on pages 2-3

arrangement of steps. Moreover, it is the examiner's position that Tognazzini suggests "updating an inventory" by producing reports that summarize some of the electronic receipt transaction (col. 6, lines 55-67; col. 2, lines 64 and 65). By formulating an expense report and updating accounting records as disclosed by Tognazzini in col. 2, lines 64 and 65, an inventory of the transaction activity/history is inherently accomplished.[2]

Applicants submit that these references, whether alone or together, do not show the claimed method and program. It is submitted that the current rejection should be overturned for at least the following two reasons:

- the specific recitations of the claims are not met by any combination of the references and

- the rejection does not show a motive to combine these references that would be used by one of ordinary skill in the art.

Claim Recitations not Met

Exemplary claim 3 reads,

> 3. (Currently Amended) A method for maintaining inventory records of products being sold, the method comprising the computer-implemented steps of:
>
> > providing inventory records corresponding to a plurality of products for sale;
> > processing a purchase transaction for a first product of said plurality of products;
> > generating an electronic receipt comprising data concerning the purchase transaction;
> > storing said electronic receipt on a removable storage medium;
> > at a different time or place, reading said electronic receipt from said removable storage medium;
> > validating said electronic receipt; and
> > in response to validating said electronic receipt,
> > > providing an indication to proceed with a delivery of said first product and
> > > updating an inventory record corresponding to said first product to reflect the delivery of said first product.

It is submitted that the claims are being read on the cited art in a very piecemeal fashion that does not correspond to the claim as a whole. The following evidence is submitted in support of this statement:

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[2] Office action of 10/12/2004, item 2, page 1

a. The rejection does not show an updating step that is dependent on the validation of the receipt;

b. The rejection does not provide any correlation between the "inventory records" of the providing step, which are read on Trotta, and the "inventory records" of the updating step, which are read on Tognazzini; and

c. No combination of Tognazzini with Trotta would cause the inventory to be updated at a time or place that is separate from the sale of the product.

Each of these pieces of evidence will be examined in turn.

(a.)   It is submitted that the step, "in response to validating said electronic receipt, ...updating an inventory record corresponding to said first product to reflect the delivery of said first product" is not met by the patents relied on.

The rejection cites the following,

> Tognazzini also teaches a method for ... in response to validating the e-receipt, ... updating an inventory affected by said delivery of goods or services (see Tognazzini, col. 6, lines 55-67; col. 2, lines 64-65, and 3:3-20, which disclose producing a report summarizing some of the receipts i.e. updating an inventory of activity).[3]

Notably, the rejection equates "producing a report summarizing some of the receipts" to "updating an inventory of activity". However, it is submitted that producing such a report is not the same as "updating an inventory record corresponding to said first product". Summarizing the amount of activity between a customer and a number of merchants will not indicate how much of any item the merchant still has – their inventory. Knowledge of the activity must be correlated with existing inventory records to provide updated inventory records. Yet the rejection does not even assert that Tognazzini shows updating an inventory record that is associated with a product sold. It is submitted that the cited sections of Tognazzini do show producing a report, but do not show the claimed "updating an inventory record corresponding to said first product". Tognazzini states,

> FIG.7 is a flow chart of a process for providing electronic receipts using a smart card. In the approach illustrated in FIG. 7, a customer (e.g. traveler) gives the cashier a smart card (700) upon which a receipt

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[3] Office action of 10/12/2004, item 3A, pages 2-3

is to be recorded. The cashier inserts the smart card into the card reader/writer (710) and when payment is made (720), the receipt is written into smart card memory (730). The storing of a receipt on a smart card is applicable to all types of transactions, regardless of how payment is made.

At a convenient time, such as when the traveler returns home, receipts are extracted from smart card memory and utilized to formulate an expense report and to update accounting records. Since the data structure is formalized and standardized, this can be done conveniently in an automated fashion.[4]

The invention is also directed to apparatus for processing electronic copies of receipts including a reader for reading a storage medium containing the copies, and a computer configured to process information contained in the copies to produce a report summarizing at least some of the receipts.[5]

The invention is also directed to a method of processing purchase transactions, by accumulating copies of electronic receipts on a portable memory medium, and processing information contained in the copies to produce a report summarizing at least some of the receipts.

The invention is also directed to a system for processing purchase transactions, including a network and a plurality of merchant terminals connected to the network. At least one of the merchant terminals is configured to include a cardreader for reading payment information and an electronic mail address from a card and for sending receipt information to the electronic mail address. A plurality of customer terminals are also connected to the network. At least one of these is configured to retrieve receipt information from an electronic mail box having the electronic mail address and to process receipt information into a report summarizing purchase transactions.[6]

As shown by the sections quoted above, Tognazzini's so-called "inventory records" correspond to the receipts given for a sales transaction and the report produced corresponds to user activity, not to updating an inventory record. Tognazzini does not show the claimed step and does not make the step obvious.

(b.)   Within rejected claim 3, inventory records are recited twice: first in the step of "providing inventory records corresponding to a plurality of products for sale" and secondly in the step of "updating an inventory record corresponding to said first product

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[4] Tognazzini, column 6, lines 53-67, underlining added
[5] Tognazzini, column 2, lines 61-65, underlining added
[6] Tognazzini, column 3, lines 3-20, underlining added

to reflect the delivery of said first product." However, the rejection reads these steps on different patents, with no suggestion of tying the "inventory records" of the two references together. As was demonstrated above, the reference to updating inventory records has been read on Tognazzini's production of a report of activity from the receipts. The rejection cites Trotta for providing and maintaining inventory records, that is, for "a method for processing an electronic receipt by maintaining inventory records of product being sold (see Trotta,, Jr. Fig. 1, ref. 38, and claim 3)"[7].
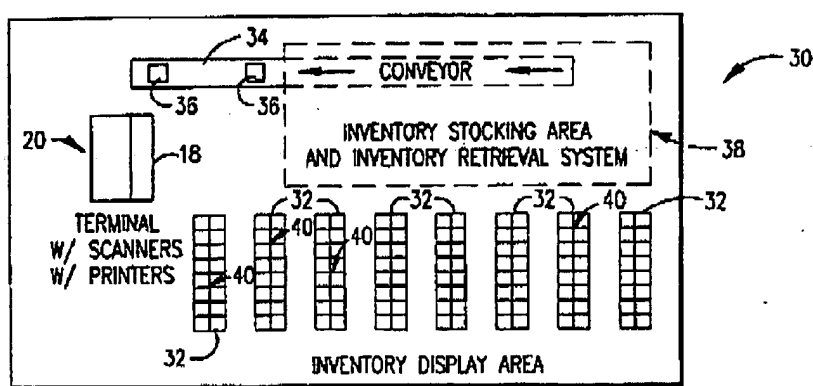

FIG. 1

Trotta, in discussing portions of Figure 1 above, says,

> The in-store computer 20 performs several functions including (1) keeping a running total of the customer's purchases, (2) relaying the item selected for purchase to an <u>inventory retrieval system 38</u>, (3) adjusting the store's warehouse inventory to reflect the purchase of the item, and in one preferred embodiment, (4) debiting the customer's payment card 10 for the purchase price of the selected item. The inventory retrieval system 38 can be a fully automated system that dispatches the selected items by conveyor belt 34 into a box 36 or bag designated for each customer, i.e. box #101, or alternatively, the inventory can be retrieved manually and the customer's order bagged or boxed by hand.[8]

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[7] Office action of 10/12/2004, item 3A, page 2
[8] Trotta, column 5, lines 34-46

Claim 3 of Trotta discloses,

> 3. The method of claim 1 further comprising,
>
> transmitting the bar code indicia information from the portable bar code scanner means to a terminal means;
>
> recording the purchase price of the selected item on a receipt and transmitting the selection of the selected item to an <u>inventory retrieval system</u>. (underlining added)

From the preceding excerpts, it is appears that the rejection reads providing inventory records on the inventory retrieval system 38 of Trotta. Perhaps the rejection meant to cite the third function that the computer performs, that of "adjusting the store's warehouse inventory to reflect the purchase of the item", which more closely resembles the claimed step. However, regardless of whether the rejection meant to refer to the inventory retrieval system 38 or to the fact that Trotta maintains an inventory of the store's stock, it does not make sense to combine this understanding of inventory records as read on Trotta with the understanding of inventory records as read on Tognazzini. The rejection does not even attempt to reconcile the discrepancy between these two ideas of "inventory records". Combining these two interpretations simply does not make sense and the rejection should be overturned for this reason.

(c.) It is submitted that even if Tognazzini and Trotta were combined, the combination would show updating the inventory when a product is purchased, <u>not</u> at the claimed time of delivery.

Trotta discloses,

> In a preferred embodiment, the scanner is released from its holder to a customer after an authorized credit card, debit card or like payment medium is accepted. ... When the customer pushes a button on the scanner to confirm the purchase of a scanned item, the ... computer performs the functions of adding the purchased item to the customer's total bill and receipt, debiting the item from the customer's payment card for the price of each item as it is scanned, ... and transmitting the information to an inventory retrieval system. ... when the customer has completed their shopping, they merely return the scanner to its holder and receive in exchange the return of their credit card, a receipt showing the total amount debited thereto for the selected items, and the appropriate bag or box number or code which will contain the purchased items. In an alternative preferred embodiment of the invention, the payment or credit card is used for identification of the customer while they are shopping. ... once the customer has finished

shopping and returned the scanner to its holder, the customer pushes a button on the scanner to confirm the final purchase of the scanned items and the computer debits the total purchase to the customer's payment card.[9]

Thus, the delivery of the product and the payment for the product always occur at the same time in Trotta. This patent does not provide any suggestion or motivation to separate the payment and delivery. Further, while Tognazzini discloses that,

> "a traveler would present a smart-card to a cashier and the electrically signed digital receipt would be loaded into the smart card. The traveler would then be able to access the information from the smart card when needed with an appropriate card reader"[10]

this patent does not disclose that the digital receipt is used for any purpose other than to create reports on the user's activity. Thus, there is no reason shown in either patent for the updating of the inventory to be separated in time from the purchase of the item. The rejection should be overturned for this reason.

Motive to Combine

Regarding obviousness rejections, the Federal Circuit has stated,

> A proper *prima facie* case of obviousness cannot be established by combining the teachings of the prior art absent some teaching, incentive, or suggestion supporting the combination. *In re Napier*, 55 F.3d 610, 613, 34 U.S.P.Q.2d 1782, 1784 (Fed. Cir. 1995); *In re Bond*, 910 F.2d 831, 834, 15 U.S.P.Q.2d 1566, 1568 (Fed. Cir. 1990).

As a motive to combine the two patents relied on, the rejection provides the following,

> It would have been obvious for a combination of Trotta Jr. and Tognazzini to provide updated inventory in transactions using e-receipts for goods presented by Tognazzini because a validated digital receipt would provide accurate information that a product already received by a customer, and it is proper to take into account (providing updated inventory) of that fact to both a seller, and a buyer.

It is submitted that this statement of motivation is (a) based on an inaccurate understanding and (b) is not targeted to the invention as claimed, two problems that

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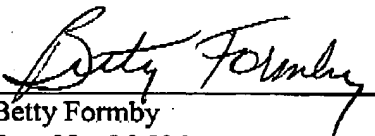
[9] Trotta, column 2, line 52 thru column 3, line 15
[10] Tognazzini, column 2 lines 26-31

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PAGE 16/21 * RCVD AT 1/12/2005 4:09:37 PM [Eastern Standard Time] * SVR:USPTO-EFXRF-1/8 * DNIS:8729306 * CSID:9723857766 * DURATION (mm-ss):05-06

appear to be inter-related. Regarding the basis for the motivation, the statement that, "a validated digital receipt would provide accurate information that a product already received by a customer", specifically ignores the situation for which applicants have disclosed use of a digital receipt. This is the situation in which a "validated digital receipt" shows that a customer has paid for the product, but does not necessarily reflect that the customer has received it, such as when an item is large and bulky and is picked up at a separate location from the cash register. Secondly, the claimed invention provides two separate instances when the receipt is in the hands of the seller: when the purchase transaction occurs and when the purchased item is delivered. This motivation does not differentiate between the two instances, one of which applicants admit is prior art (updating the inventory when the purchase is made) and one of which applicants assert is patentable (updating the inventory when the user presents a digital receipt to conclude the transaction by receiving the product). It is submitted that one of ordinary skill in the art would not have used this motivation to combine the references into the claimed invention. Applicants assert that this rejection should be overturned for a lack of motivation.

CONCLUSION

In view of the above, Appellants respectfully submit that claims 3-4 and 27-28 are allowable over both Tognazzini and Trotta and that the application is in condition for allowance. Accordingly, Appellant respectfully requests the Board of Patent Appeals and Interferences to overturn the rejections set forth in the Final Office Action.

Betty Formby
Reg. No. 36,536
Yee & Associates, P.C.
PO Box 802333
Dallas, TX 75380
(972) 385-8777

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APPENDIX OF CLAIMS

3.   A method for maintaining inventory records of products being sold, the method

comprising the computer-implemented steps of:

    providing inventory records corresponding to a plurality of products for sale;

    processing a purchase transaction for a first product of said plurality of products;

    generating an electronic receipt comprising data concerning the purchase transaction;

    storing said electronic receipt on a removable storage medium;

    at a different time or place, reading said electronic receipt from said removable storage

        medium;

    validating said electronic receipt; and

    in response to validating said electronic receipt,

        providing an indication to proceed with a delivery of said first product and

        updating an inventory record corresponding to said first product to reflect the

            delivery of said first product.

4.   The method of claim 3 wherein said step of validating said electronic receipt

further comprises inspecting a digital signature to verify the integrity of said electronic

receipt.

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27.   A computer program product in a computer-readable medium for maintaining

inventory records for a plurality of items for sale, the computer program product

comprising:

first instructions for processing a purchase transaction;

second instructions for generating an electronic receipt comprising data concerning the

   purchase transaction;

third instructions for storing said electronic receipt on a removable storage medium;

fourth instructions for reading said electronic receipt on the removable storage

   medium;

fifth instructions for validating said electronic receipt; and

sixth instructions for providing an indication to proceed with a delivery of said first

   item in response to validating said electronic receipt,

seventh instructions for updating an inventory record corresponding to said first item

   in response to validating the electronic receipt.

28.   The computer program product of claim 27 wherein said instructions for

validating the electronic receipt further comprise instructions for inspecting a digital

signature to verify the integrity of said electronic receipt.

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EVIDENCE APPENDIX

There is no evidence to be presented.

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RELATED PROCEEDINGS APPENDIX

There are no related proceedings.